



PACKARD

MOTOR CAR COMPANY

Forty-Second Annual Report

YEAR ENDING DECEMBER 31, 1945.

APR 15 1946
CORP. FILE

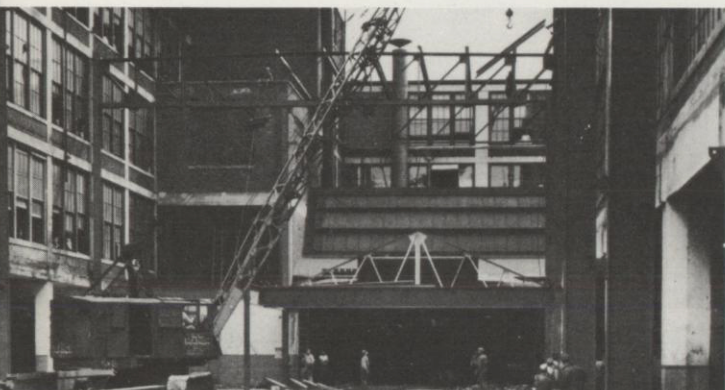
FROM WAR TO PEACE AND THE CHALLENGE OF CHANGE-OVER



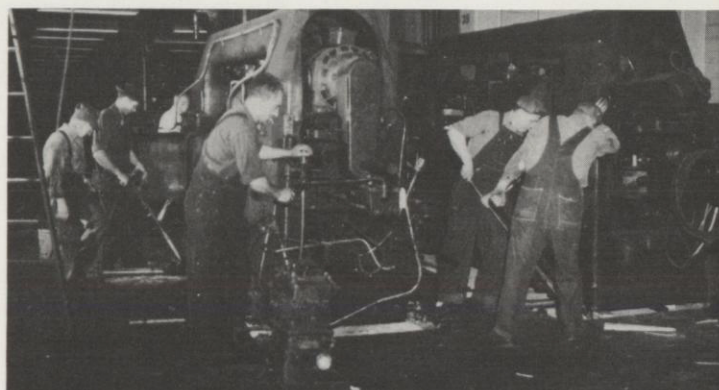
Over 12,000 PT Engines built by VJ-Day—then orders to cut production drastically. Thus the change-over to peacetime production began.



Nearly 56,000 Packard-built Rolls-Royce aircraft engines completed before production came to a halt. Packard conversion experts faced a gigantic challenge here.



Car Production called for rush work. Wherever new and permanent facilities meant delays, temporary production methods filled in the gap.



Machinery Worth Millions moved rapidly into place. Pre-war machines, carefully preserved, mingled with costly new equipment of the latest type.

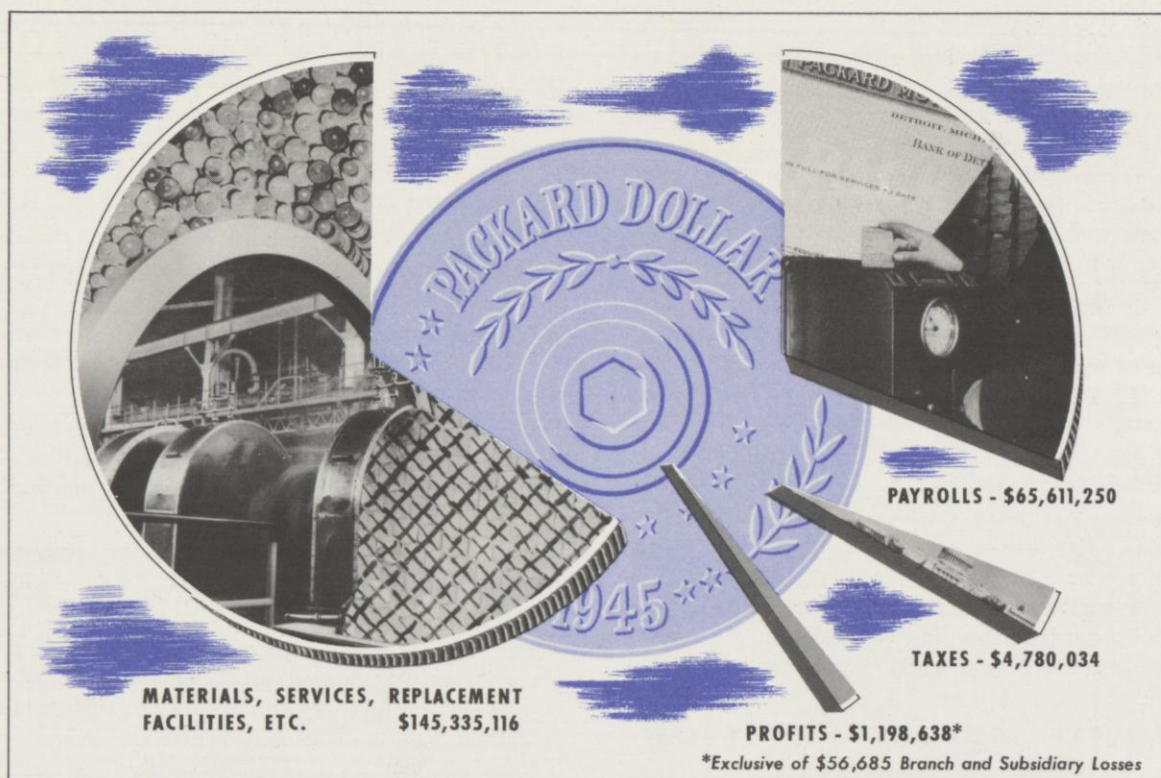


October, 1945—new models in production! Packard had done its part to supply cars for public and dealers—to hasten re-employment of war workers.



2,722 Packard Clippers by year's end, despite material shortages. Advance planning and fast action had met the challenge of preliminary change-over.

HOW PACKARD DOLLARS WERE DIVIDED IN THE YEAR OF VICTORY AND TRANSITION



A 5-YEAR COMPARATIVE SUMMARY OF PACKARD OPERATIONS

	1945	1944	1943	1942	1941
Net Factory Sales, Billings and Other Income	\$216,925,038	\$455,692,753	\$341,261,650	\$222,984,715	\$101,884,699
Ratio of War Work to Total Business	97%	99%	98%	96%	30%
Factory Wages and Salaries	\$ 65,611,250	\$138,349,825	\$115,933,138	\$78,397,311	\$33,817,918
Total Taxes	\$6,091,459	\$24,081,000	\$24,998,850	\$14,897,280	\$6,904,250
Taxes per Share of Common Stock	\$0.41	\$1.61	\$1.67	\$0.99	\$0.46
For Contingencies and Post War Adjustments	—	\$1,000,000	\$1,000,000	\$2,000,000	—
Consolidated Earnings	\$1,141,953	\$4,117,910	\$4,754,587	\$4,726,237	\$2,061,323
Earnings per Share of Common Stock	\$0.08	\$0.27	\$0.32	\$0.31	\$0.14
Dividends Paid	\$2,248,701	\$1,499,134	\$1,499,134	\$1,499,134	\$1,499,134
Balance to Surplus	\$1,106,748*	\$2,618,776	\$3,255,453	\$3,227,103	\$562,189
Net Working Capital	\$34,925,966	\$35,555,306	\$32,754,212	\$28,137,486	\$19,674,416
Number of Stockholders at the Year-End	112,845	111,012	114,256	115,717	116,574
Factory Employees at the Year-End	10,844	33,085	35,948	25,560	17,350

*Indicates a reduction in surplus.

TO THE STOCKHOLDERS OF THE PACKARD MOTOR CAR COMPANY:

During the year 1945, your company gradually reduced its output of war products in line with decreased requirements of the armed forces, until practically all our war contracts were terminated following VJ-Day on August 16, 1945.

As our production of Packard-built Rolls-Royce aircraft engines and Packard PT-boat marine engines declined, we continued to capitalize the opportunity of consolidating war facilities and thus free up space for pre-conversion for ultimate car production. The result rightly summarizes 1945 as a year of transition between war work and a preliminary return to limited peacetime car production.

In preparing to resume normal business, it can be a source of pride to every Packard stockholder that no failure to produce our requirements marred the production record made for the Army and Navy. When the extreme technical nature and manufacturing accuracy of our war engines are considered, this accomplishment becomes the more outstanding.

In the year just closed, total unit shipments of combat engines were 48.9% less than in 1944, which was our peak production year. Net sales and billings, representing an output of engines, spare parts and miscellaneous war work, but not including an increased amount of commercial products, was 53.5% under the corresponding 1944 volume.

FINANCIAL SUMMARY AND REVIEW

Dissimilar though 1945 (year of transition) and 1944 (year of peak war production) may be in our objectives and accomplishments, the summary at the bottom of this column is useful in giving a quick digest of their major financial comparisons.

A dividend of \$2,250,000 or 15 cents a share was paid April 2, 1945, to stockholders of record February 17, 1945. This compares with a dividend of \$1,500,000 or 10 cents a share paid April 1, 1944 to stockholders of record February 19, 1944.

ITEM	1945	1944	Decrease
Net Sales, Billings & Other Income	\$216,925,038	\$455,692,753	\$238,767,715
Operating Costs & Expenses	214,083,085	431,974,843	217,891,758
Profit before Federal Income Taxes	2,841,953	23,717,910	20,875,957
Federal Income Taxes	1,700,000	19,600,000	17,900,000
Consolidated Earnings	1,141,953	4,117,910	\$ 2,975,957
Per Share of Common Stock	\$ 0.076	\$ 0.275	\$ 0.199

During the five years 1941 through 1945 we produced for the Allied governments 67,626 marine and aircraft combat engines which, together with spare parts and other related war work represented a volume of output amounting to \$1,240,258,854.63. Commercial sales, consisting of cars, service parts, accessories, etc., for the same five year period totaled \$94,445,083.65 or approximately 7% of total sales and billings.

Including miscellaneous income that was in addition to the sales and billings shown above, our total volume of business for the five years amounted to \$1,338,748,855. Of this amount, \$815,903,319 or 61% went for materials, services, replacement facilities, etc., \$432,109,442 or 32.3% was paid out in wages and salaries, and \$73,934,084 or 5.5% was expended for taxes on factory properties and operations. Of the remainder, \$8,245,237 or 0.6% was paid in dividends to stockholders, and \$8,556,773 or 0.6% was reinvested in the business.

Evidence of lack of war profiteering is quickly seen in the fact that your company earned only 1.2% on its combined business from 1941 through 1945.

We are endeavoring, under the relief provisions of Section 722 of the Internal Revenue Code, to secure an adjustment of our base period income.

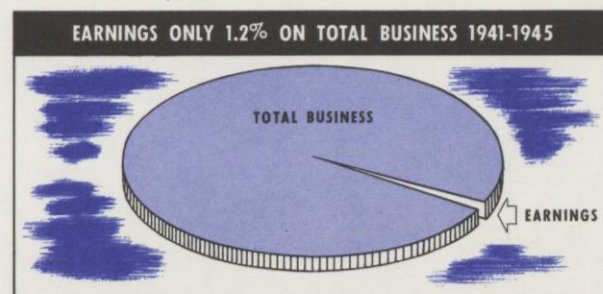
Our earnings during the war years have been limited to a great extent by the base period average earnings 1936 through 1939, which were a controlling factor in determining excess profits taxes.

To date, the position of the Treasury Department with respect to claims filed under Section 722 generally has not been favorable.

The determination of properly adjusted base period average earnings takes on added significance, in view of an inferred O.P.A. policy to consider the 1936-1939 base period earnings as a factor in controlling ceiling prices.

Comparing the results of operations for 1945 with 1944, total volume dropped from \$455,692,753 to \$216,925,038 and profits before Federal income taxes declined from \$23,717,910 to \$2,841,953. Federal income taxes on the greatly reduced profits for 1945 were substantially less than they were in 1944, with the result that 1945 net profits amounted to \$1,141,953 as compared with \$4,117,910 for 1944.

Cash and marketable securities at the close of 1945 totaled \$56,037,407 as compared with \$55,269,992 at the



end of 1944. Included in these amounts, however, were \$21,234,567 restricted to use in performing government contracts at December 31, 1945 as compared with \$12,742,161 at the end of the previous year.

Due to our much smaller volume of business in 1945, we were able to reduce receivables and inventories to less than one-half of their 1944 year-end amounts. The reduction in current liabilities was proportionately greater than in current assets so that the ratio of current assets to current liabilities at the end of 1945 was 1.667 to 1 as compared with 1.386 to 1 at December 31, 1944.

Working capital, being the difference between current assets and current liabilities, amounted to \$34,925,966 at the close of 1945 as compared with \$35,555,306 at the end of 1944.

The reserve for contingencies and post-war adjustments amounted to \$4,000,000 at the end of 1944. Of this amount, \$1,500,000 is now carried as a reserve for plant reconversion in 1946 under current liabilities, and the reserve for contingencies and post-war adjustments is shown in the balance sheet at \$2,500,000.

A number of changes have taken place in the company's investments in properties for manufacturing and distribution purposes. The Hern Avenue Plant, purchased during 1944 for car production purposes, has been sold. Certain buildings erected on the company's property at the start of the war by the British and United States governments, have been purchased by the company.

Also, your company took advantage of favorable market conditions to dispose of distribution properties in London, England, and New York City, not currently suited to our needs.

On June 1, 1944, the company arranged with a group of banks for a revolving credit of \$30,000,000 in order to release funds of the company invested in war production contracts. This arrangement was terminated in November 1945, it being the judgment of your company's management that such protection was no longer necessary.

HOW THE YEAR WENT

The year began with continued emphasis on war production, but in an expected lesser amount.

Accordingly, we concentrated on reducing inventories, consolidating our operations and keeping our flow of pro-

duction in line with the consistently reduced volume demanded of us. During this period, other prime contractors were also receiving schedule cut-backs and this enabled us to subcontract additional work outside our main plant.

Our principal effort was directed to producing the war needs assigned to us. Our secondary interest was a survey of our plant to determine the order in which areas would become free for car parts production. Also involved was the establishment of a master plan for final car production which would enable us to ultimately achieve our goal of 200,000 cars a year.

When VJ-Day occurred, large volumes of war material were in process and sizeable commitments to vendors and subcontractors were in effect. The sudden stopping of war production made our problem threefold: termination of war contracts with the government including the settlement of subcontractors' claims; plant change-over to car production; and volume output of cars and service parts.

Termination plans had, in general, been outlined and determined with Government authorities in advance. This planning was put into immediate effect upon notice of contract cancellation. It resulted in swift disposal of more than \$35,000,000 worth of raw material, material in process and finished products.

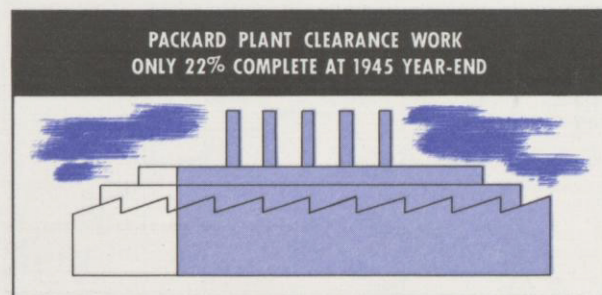
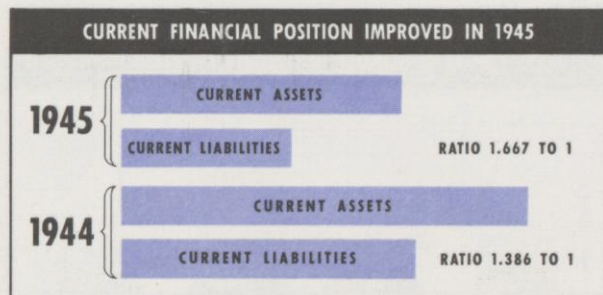
Plant change-over required plans for the removal or disposal of all Government-owned machines, tools and other equipment. This involved the clearance of more than 200,000 items whose total value approximated \$110,000,000.

Besides this removal work, we had to begin relocating or reinstalling approximately 3,200 Packard-owned machines which had been carefully preserved for car production. There was also need to construct an entirely new building to house our new and modern final car-assembly lines.

LIMITED CAR PRODUCTION BEGUN

Erection of steel for this building was started September 13, 1945. Construction progressed so rapidly that we were able to mount our first post-war body on the new Packard car chassis October 19, 1945.

To spread employment as rapidly as possible, this car production was started even though many permanent



facilities and locations were not yet available and reconversion was still far from complete. For example, the roof on the new assembly line building had not yet been finished when the initial cars went down the final assembly line. Motors for these first cars were tested in makeshift test cells quickly revamped from the aircraft engine test cells formerly used for testing big Packard-built Rolls-Royce aircraft engines.

All this initial preparatory work was executed at such a rate that at no time since peacetime production was authorized by the government has our own ability to produce been a limiting factor. Shortages of parts made by subcontractors for our new models have handicapped us severely in turning out completed cars. But our own parts production schedules were maintained throughout this critical period.

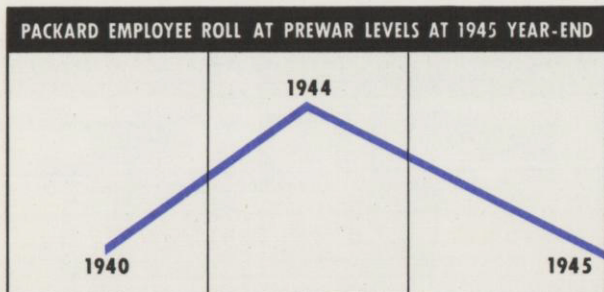
Despite these handicaps, we produced 2,722 cars in the last quarter of 1945. During the time our assembly lines were forced down by material shortages, we took full advantage of the period to increase our production of service car parts, stripped replacement motors, etc. Need for these car maintenance essentials was urgent and both customers and dealers profited by this factory policy of service advancement.

Throughout the war years, our car proving grounds at Utica, Michigan, were leased to another prime contractor for testing war tanks. This facility has now been returned to us, but is in such bad shape that it will take some time to restore it to its previous good condition.

LABOR RELATIONS

In 1940, our employee total averaged approximately 11,000. This working force increased to a maximum of 41,000 at the 1944 peak of our war production program. It leveled off to a high of approximately 30,000 in 1945, and year's end saw it decline to about 10,000.

Currently we have 1257 veterans of World War II on our rolls. Of these, 1115 were former Packard employees and have special seniority rights with respect to their jobs. We also have pending some 800 applications of veterans who will be placed on jobs as soon as car production, temporarily discontinued because of parts shortages, is resumed and after approximately 300 additional veterans who are temporarily off the rolls for the same reason, are recalled to work.



Labor relations in 1945 were marred by 32 unauthorized work stoppages. None, however, has occurred since resuming peacetime production. Last Fall notice was served on your company for a 30% pay increase similar to that demanded of other automotive manufacturers. Through an agreement with union officers, shop operations were to continue under our existing contract until a wage pattern for the industry was determined by settlement of the strike which closed the largest producer of automobiles.

Meanwhile, contract details have been discussed with the union bargaining committee, in good faith on both sides. Both company and union desire a contract yielding a satisfactory and economical operation.

Wages set by the industry pattern can be expected materially higher, with a marked adverse effect on our 1946 financial return, minimized by hoped-for improvement in increased productivity of our individual workmen.

We are now in the process of obtaining a legal determination in the United States Circuit Court of Appeals for the Sixth Circuit, on the question of whether your company must, under the Wagner Labor Act, collectively bargain with a union known as the Foreman's Association of America, as the sole representative of our foremen.

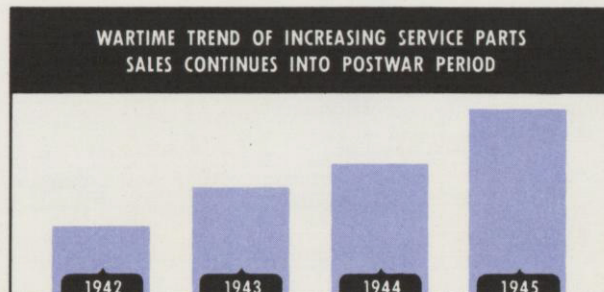
In the event of an adverse ruling by that court, the company's only remaining legal recourse would be to seek a review by the United States Supreme Court. We believe the outcome of this case can have a very important effect on the operation of your company and on private industry in general.

PLANS FOR THE POST WAR MARKET

That there is a tremendous pent-up demand for cars is recognized by all authorities. Our planning to obtain the best possible share of this volume of business was carried on during the war years and continues to receive our careful consideration.

The nature of the automobile business is such that management is required to do a long-term planning job. Projecting products, sales and service outlets and plant facilities requires an appraisal of the future at least two years in advance, and many engineering developments are carried on as much as five years ahead.

While we are currently in what may be called a "seller's market," we recognize that conditions will change within the relatively short time that it will take to permit capacity



operations in our industry, and we will then be faced with the necessity of meeting competition in a "buyer's market."

Although the future of the car business appears quite promising at the present time, the extensive future development work required imposes considerable expense on our current operations. In view of the limited volume of production possible, due to shortages of materials and parts from our suppliers, this added burden of expense adversely influences our opportunity for currently profitable operations.

Due to the necessary curtailment of car engineering and tooling work during the war years, we had to return to car production with substantially the same design that we were building before the war, with such improvements as could be made without delaying the resumption of production.

It is our plan to carry on development engineering work for future cars and to release new designs for production as fast as testing proves their quality. Thus we propose to process and provide the tools for these proven designs so that we may be in a position to start their production when our judgment indicates they should be placed on the market.

We have continued our sales and service development program during 1945 on a long-term planning basis. It has been our aim to strengthen our established dealers, to replace those with unsatisfactory records of performance and to expand our coverage in open territory. We are at this time represented by the largest, strongest and best qualified dealer body in our history. The improvement is reflected not only in a greater new car sales potential but also, in improved facilities and ability to give better service to Packard customers.

Our present merchandising plans are based on the "zone" type distribution system. In adopting this, we are changing to a well established and long proven method of car distribution. At the present time we have relatively few domestic Packard distributors or wholesalers, whereas prewar our distribution was carried on entirely under the distributorship type of operation. Our surveys, supported by industry experience, show that our car distribution should be much more efficient and economical under the "zone" system.

Plans for expansion of our car sales in the Canadian and Export markets are progressing satisfactorily. Both of

these markets are substantial and we anticipate an increased share of the available business. We now have more dealers in Canada than ever before, with greatly increased potential for new car and service sales. In the Export field, the South American countries particularly afford a favorable market.

CONTINUING GOVERNMENT WORK

In our aircraft engineering development work at our Toledo plant and at the Willow Run Army Air Base, we are continuing intensive research projects including design and building of jet propulsion aircraft engines. The facilities used are wholly government owned and the work carried on is under government contract. The interest of your company in this work is, first, to be of service in the promotion of research for the future advancement of our country's air power and, second, to have an intimate knowledge of future possibilities of established principles of advanced engineering.

With respect to our marine engine development we have government orders to continue the production of a considerable number of 1,800 horsepower engines of improved design and a substantial quantity of marine engine spare parts. We have also completed the design and released for production a much larger marine engine than we produced during the war.

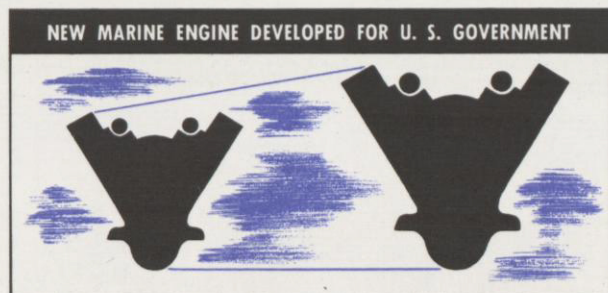
OUTLOOK FOR 1946

It is our conviction that the motor car industry's output for the year 1946 will fall short of what was planned, since its apparent limits are available materials rather than the capacity of automobile plants to produce.

We will be operating under conditions the net effect of which will be a relatively high cost of production that cannot be offset by increased volume due to the limitations already mentioned.

It will be necessary to intensify our engineering, experimental and test work in sufficient volume to make up for delays due to the war. At the same time, our sales and service programs must be carried forward for future protection.

While it is possible that conditions may improve faster than the current outlook indicates, present limiting factors beyond our control do not make it feasible to predict satisfactory earnings for 1946.



Cordially yours,

Geo. F. Christopher
President

For the Board of Directors

Approved:

Swan Macaulay
Chairman of the Board

March 11, 1946

PACKARD MOTOR

(A Michigan
and Subsidiary)

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash, including \$21,234,567 restricted to use in performing government contracts.....		\$ 32,840,027
United States and Canadian Government securities (including \$2,451,202 excess profits tax refund bonds) at cost, not over market.....		3,149,670
United States Government tax notes and accrued interest.....		20,047,710
Accounts and installment notes receivable, less reserves.....		8,387,472
Claims under terminated fixed-price war contracts.....		4,198,607
Claims under terminated cost-plus-fee contract.....		9,778,451
Unbilled costs under cost-plus-fee contract.....		718,417
Inventories, at or below cost—		
Raw materials and work in process.....	\$ 6,525,172	
Automobiles.....	1,621,971	8,147,143
		<u>\$ 87,267,497</u>

OTHER ASSETS:

Estimated refunds of prior years' Federal taxes on income.....	\$ 435,230	
Mortgage and miscellaneous investments.....	287,108	722,338
		<u></u>

PROPERTY ACCOUNTS:

Land, at cost—		
For manufacturing purposes.....	\$ 1,957,592	
For distribution purposes.....	4,093,207	\$ 6,050,799
		<u></u>
Buildings, plant equipment, etc., at cost—		
Manufacturing properties.....	\$20,260,448	
Less—Reserves for depreciation.....	10,046,948	10,213,500
		<u></u>
Distribution properties.....	\$ 8,415,774	
Less—Reserves for depreciation.....	4,187,206	4,228,568
		<u></u>
Rights, privileges, franchises and inventions.....		1 20,492,868
		<u></u>
<u>Note</u> —During the year the company also used extensive facilities paid for and owned by customers, principally the United States Government.		

DEFERRED CHARGES:

Prepaid insurance and other expenses.....		388,551
		<u>\$108,871,254</u>

R C A R C O M P A N Y

Corporation)

ary Companies

Sheet—December 31, 1945

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals	\$ 8,626,292
Reserves for cost adjustments, wholesale discount, product warranty, etc.....	6,579,119
Reserve for plant reconversion in 1946 (estimated)	1,500,000
Advances by United States Government under contract	32,000,000
Reserve for income taxes and refund to the United States Government with respect to 1944 renegotiation of war contracts (estimated)	3,636,120
	<u>\$ 52,341,531</u>

<u>RESERVE</u> for contingencies	2,500,000
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CAPITAL STOCK:

Common (authorized 25,000,000 shares of no par value)	
Issued 15,000,000 shares	30,000,000
(Includes 8,660 shares issued to trustee for account of company, not carried as an asset)	

<u>CAPITAL SURPLUS</u> (no change in 1945)	12,016,721
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EARNED SURPLUS since May 1, 1935:

At December 31, 1944	\$13,119,750
Profit for the year 1945	1,141,953
	<u>\$14,261,703</u>
Dividend paid—15 cents per share	2,248,701
At December 31, 1945	<u>12,013,002</u>
	<u><u>\$108,871,254</u></u>

PACKARD MOTOR CAR COMPANY *and Subsidiary Companies*

STATEMENT OF INCOME

For the Year Ended December 31, 1945

Sales of war products including costs and fees billed under cost-plus-fee contracts and claims under terminated fixed-price war contracts, automobiles and service parts.....	\$216,128,586
Other income:	
Interest, rentals, etc.....	505,030
Gain on sale of plant equipment.....	291,422
	<u>\$216,925,038</u>
Cost of products sold, including \$1,494,867 depreciation and amortization and approximately \$1,600,000 for partial reconversion of plant.....	\$209,472,837
Selling, general and administrative expenses.....	4,553,563
Loss from operations of automotive selling branches and subsidiary companies after providing \$270,355 depreciation and after estimated refunds of \$248,958 of prior years' Federal taxes on income under carryback provisions of the Internal Revenue Code.....	56,685
	<u>214,083,085</u>
	\$ 2,841,953
Estimated Federal income tax (no provision for excess profits tax required)...	1,700,000
Profit for the year.....	<u>\$ 1,141,953</u>

(See accompanying notes to financial statements)

NOTES TO FINANCIAL STATEMENTS

December 31, 1945

Notes:

The company has agreed to a renegotiation refund for 1944, proposed by a regional War Department Price Adjustment Section, which is now being reviewed by the War Department Price Adjustment Board in Washington. The proposed settlement would not require any adjustment of the 1944 profit previously reported. Based on the settlements for 1942 and 1943 and on the proposed settlement for 1944, profit on war business for the year 1945 does not appear to be excessive and no provision has been made for renegotiation refund.

There are various uncertainties in the determination of the Company's financial position, such as possible adjustments resulting from Government audits of cost-plus-fee contracts, results of termination settlements, reconversion of plant, and various other contingencies. The effect of these contingencies cannot be determined at this time, but in the opinion of the management reasonable reserves have been provided therefor.

Pending determination of new automobile prices, shipments in 1945 were tentatively billed at 1942 prices.

The company has elected under the provisions of the Internal Revenue Code to terminate as of September 30, 1945 the amortization period for facilities acquired under Certificates of Necessity. The accelerated amortization applicable to prior years, less related claims for refund of Federal taxes on income and renegotiation rebates is not material in amount and has been charged to income for 1945.

To the Board of Directors and
the Stockholders of
Packard Motor Car Company:

We have examined the consolidated balance sheet of Packard Motor Car Company and its subsidiary companies at December 31, 1945 and the related statement of income for the year. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary. Receivables from United States Government departments, including claims under terminated war contracts, were not confirmed by correspondence but we satisfied ourselves as to these items by other auditing procedures.

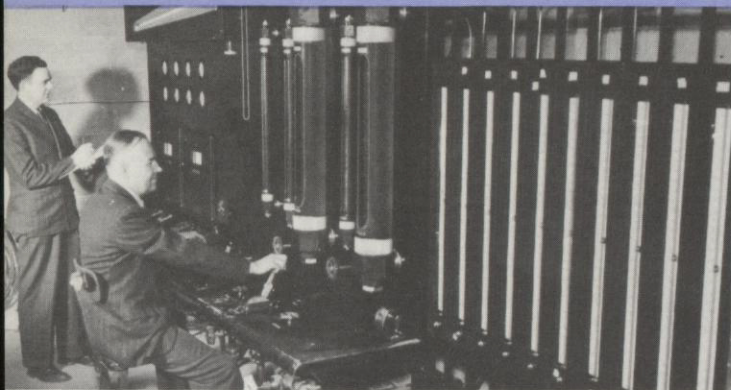
In our opinion, the accompanying statements present fairly the consolidated position of Packard Motor Car Company and its subsidiary companies at December 31, 1945, and the results of their operations for the year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE, WATERHOUSE & CO.
Certified Public Accountants

Detroit
March 1, 1946.

FOUNDATION FOR DIVERSIFICATION

FOUNDATION FOR



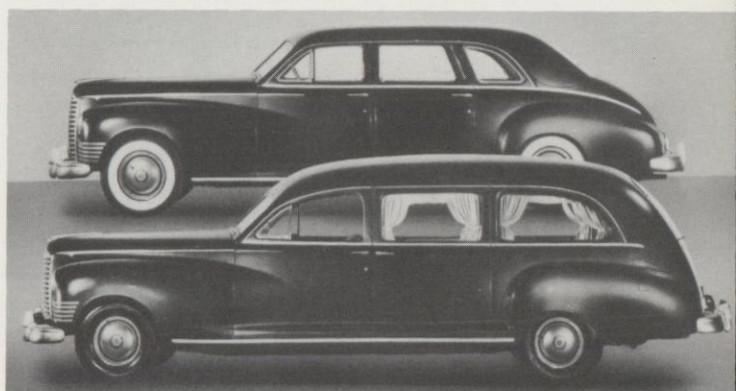
Jet Engines are being developed by Packard, under contract with the Army Air Forces. An extensive flight test program is about to begin.



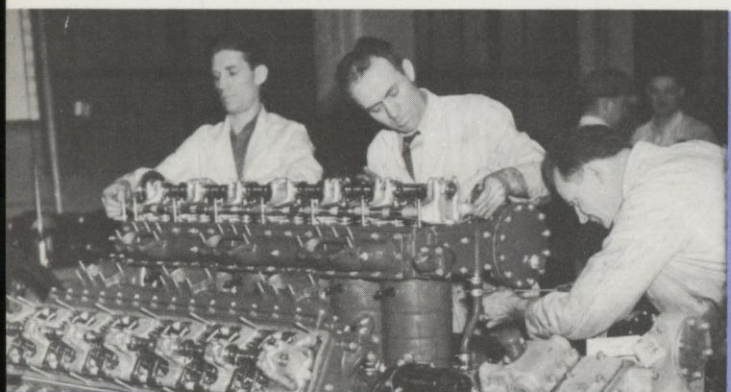
Taxi production is an important new phase of Packard diversification. This special-purpose model is taxi-engineered for heavy duty work.



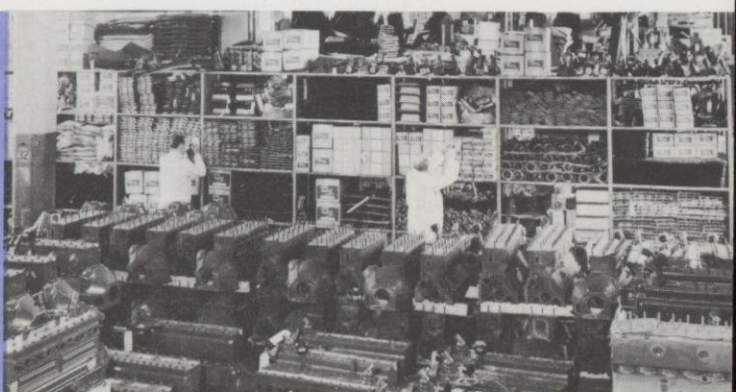
Packard Business Cars benefited from a new step in consumer research: Packard's "Commercial Car Clinic," attended by leading fleet owners.



Special-Purpose Chassis, built by Packard, again are used exclusively in America's foremost line of large funeral cars and ambulances.



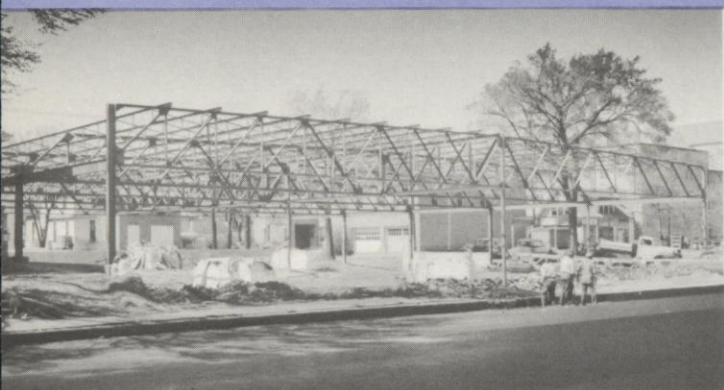
Marine Engine production continues, under U. S. Navy contracts. To gain diversification, Packard also will build for the small-boat market.



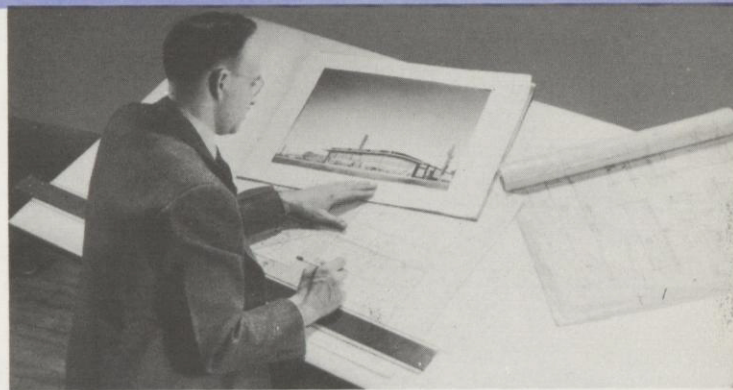
Parts and Accessories—much more important now than before or during the war—are a vital phase of the new diversification program.

THE FUTURE

DEALER EXPANSION



Modernization Programs have prepared Packard dealers to handle today's heavy service demands, and to meet keen sales competition in the future.



210 New Buildings profited, in 1945, from the architectural design and construction counsel which Packard offers to its dealer group.



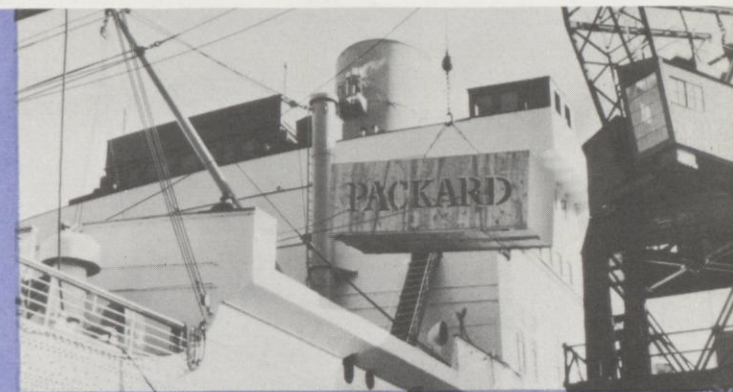
1,793 Dealers—largest and by far the strongest group in Packard history—now hold the Packard franchise in the U. S. and Canada.



301 New Dealer Contracts were signed during 1945. In every case, the applicant had to prove his ability to maintain high Packard standards.



Nearly 1,500 Applications have been received for the small number of remaining Packard dealer franchises—as many as 11 for a single location.



Overseas Markets are becoming active again. As soon as domestic needs are cared for, Packard will do its share of export business.



TRUMAN H. NEWBERRY 1864 - 1945

Packard Motor Car Company

Whereas the death on Wednesday, October 3, of Truman H. Newberry takes from our midst Packard's oldest employee who was an originator of the Company and a director since its incorporation in 1903,

And Whereas his passing is more like the severing of a family tie than the mere loss of a valued official and associate esteemed for his keen mind, able spirit and vigorous nature,

Therefore, we record with profound sorrow the loss of our fellow director, the last of the original group of Packard Directors who, more than two score years ago, foresaw the possibilities of this Company and pledged their faith in its future.

Prominent in finance, industry and public service, he gained the respect of those with whom he was associated.

His interest in Packard ran ever high and he contributed abundantly to the progressive planning that advanced it from an infant to a major member of the automotive industry, and

Be It Therefore Resolved, that a copy of these resolutions be sent to his family and that the resolutions be spread upon the minutes of this Board.

Geo. W. Chastot
President

Arthur Macaulay
Chairman of the Board

Signed December 10, 1945

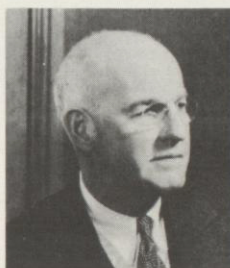
COL. JESSE G. VINCENT

New Member of Your Board of Directors

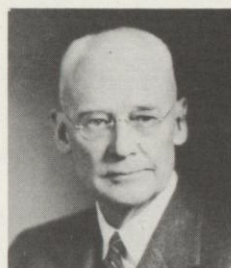
Col. Vincent, vice-president in charge of engineering, joined Packard as chief engineer in 1912. He has received international recognition for his automotive design achievements, and for his many contributions to aircraft and marine engine development. He continues in active charge of Packard engineering.



**THE
BOARD
OF
DIRECTORS**



Alvan Macauley



James T. McMillan



Henry E. Bodman



Geo. T. Christopher



Robert B. Parker



Joseph M. Dodge



Col. Jesse G. Vincent

**THE
OFFICERS**

ALVAN MACAULEY
Chairman of the Board

GEO. T. CHRISTOPHER
President and General Manager

JAMES H. MARKS
Executive Vice-President

HENRY E. BODMAN
*Vice-President and
General Counsel*

J. G. VINCENT
*Vice-President of
Engineering*

G. C. REIFEL
*Vice-President of
Manufacturing*

L. W. SLACK
*Vice-President and
General Sales Mgr.*

HUGH J. FERRY
*Vice-President and
Secretary-Treasurer*

EUGENE C. HOELZLE
*Vice-President and
Comptroller*

MILTON TIBBETTS
*Vice-President and
Patent Counsel*

W. B. HOGE
Assistant Comptroller

A. G. DENISON
*Assistant Secretary and
Assistant Treasurer*

ACTIVE SUBSIDIARY COMPANIES

Packard Motor Car Company of New York
Packard Motor Car Company of Chicago
Packard Motor Car Company of Canada, Limited
Atlanta Packard Motors, Inc.

Packard Motor Car Company of Texas
Packard Motors Export Corporation
Packard Motor Sales Company

TRANSFER OFFICES

Packard Motor Car Company, Detroit, Michigan
Guaranty Trust Company of New York, New York

REGISTRARS OF STOCK

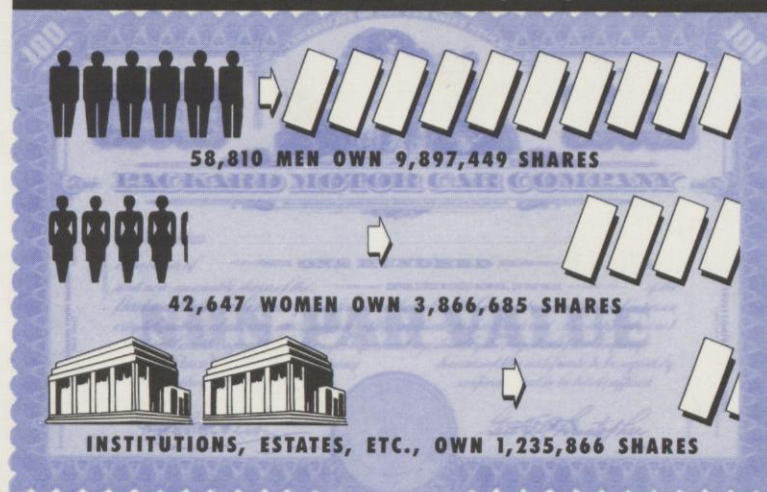
Detroit Trust Company, Detroit, Michigan
City Bank Farmers Trust Company, New York City

AUDITORS

Price, Waterhouse & Co.

WHO OWNS PACKARD?

110,364 SHAREHOLDERS OWN 15,000,000 SHARES



A look at the 110,364* Packard Stockholders

Packard is owned by you and 110,363 other people.

You and your fellow-owners live in 7,792 communities.

The average Packard stockholder is a small investor, who needs more than the dividends from his stock for a liveable income. The average owner holds only 136 shares, doubtless bought with money saved from his earnings.

Two out of three Packard stockholders own less than 100 shares each.

Nine out of ten Packard stockholders own less than 200 shares each.

Nearly four out of ten Packard stockholders are women. Their stock ownership averages 91 shares each.

These facts about Packard stockholders reflect the fact that Packard is widely owned by "average citizens" from every walk in life, living in every state of the Union. They represent, in fact, a good cross-section of the steady, substantial people of this nation.

*As of August 31, 1945

The Average Packard Stockholder Owns 136 Shares

SHARES OWNED	NO. OF SHAREHOLDERS	TOTAL SHARES HELD
1 to 99 shares	74,114	1,921,064
100 to 199 shares	25,234	2,588,848
200 to 299 shares	6,023	1,229,128
300 to 399 shares	1,722	530,414
400 to 499 shares	751	306,870
500 to 999 shares	1,657	955,203
1000 to 1999 shares	614	721,369
2000 to 2999 shares	117	255,646
3000 to 3999 shares	38	120,685
4000 to 4999 shares	18	75,295
5000 or more shares	76	6,295,478
Total	110,364	15,000,000

Geographical Distribution of Packard Stock

Total Continental U. S.
108,434 Holders 14,776,449 Shares

U. S. Possessions
561 Holders 73,323 Shares

47 Foreign Countries
1,369 Holders 150,228 Shares

ASK THE MAN WHO OWNS ONE